

# VICTORY BULLETIN

THE WEEKLY SOURCE OF OFFICIAL INFORMATION

WASHINGTON, D. C.

OCTOBER 5, 1944

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JOURNEY'S END



Drawing by Pele

"On the trail of our movement there lies not a single adversary murdered by us,  
not a single murderous attack. Since our earliest days we have declined this."

ADOLF HITLER



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## CARTELS: CHALLENGE TO A FREE WORLD

By WENDELL BERGE

*Assistant Attorney General of the U. S.*

SAYS HENRY J. KAISER:

*Cartels: Challenge to a Free World* discusses one of the most critical problems confronting the American economy. Shall the door of opportunity be kept open to free enterprise or will private and public bureaucracy stand at the gates of industry and decide who may or may not enter into production? America's economic future must be the fulfillment of that faith in freedom which has made us a great nation. For workers and businessmen alike production should be an adventure in the creation of plenty. If American industry is not fettered by monopoly or bureaucracy it can build and produce in peace on a scale even greater than it has in war. *Cartels: Challenge to a Free World* is a contribution to the clear thinking and fast action we must have if our enterprise and productive skills are to have free sway. Every businessman who is concerned with the future of free enterprise will draw renewed courage from the message of this book.

SAYS SENATOR JOSEPH C. O'MAHONEY:

I wish there were a better word than "cartel" to dramatize the system of world-wide special privilege in commerce which brought on this war and will cause another unless it is abolished, but it would be difficult to find a better book than Wendell Berge's *Cartels* to describe the methods and effects of the system. Everybody who wants to be well informed should read it, and certainly no one who hopes to make any contribution to the settlement of postwar policy can realize that hope without a knowledge of the facts about international monopoly so clearly set forth in this volume.

I wish that every citizen of the United States could read this book and learn how one cartel group planned to poison plastics and pigments in order to keep prices up; how another group of alleged American exponents of free enterprise surrendered the whole continent of South America to a German cartel in order to retain for themselves freedom to exploit the American people in the sale of certain drugs. . . .

I wish that every voter in America could read this book and learn how the technique of totalitarian Germany in the regimentation of science in the cause of world domination has been employed in America. Berge's chapter on "Technology" ought to be in every home, as well as the chapter on "Patents."

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THE WEEKLY SOURCE OF  
OFFICIAL INFORMATION

October 5, 1944

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## EDITORIAL NOTE

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## Victories Mount as Siegfried Line Is Breached and Belfort Gap Is Entered

**Landing of Allied Airborne Forces in Holland and Fall of Brest Add to Growing Pressure on German Fatherland**

By HENRY L. STIMSON

*Secretary of War*

■ An outstanding event of this week has been the operation of our airborne forces in Holland. American and British planes, gliders and troops took over an area of Holland from Eindhoven to Nijmegen and points on the north side of the Rhine near Arnhem.

At the same time, the British Second Army moved forward rapidly across the canals of northern Belgium and southern Holland to link in force with most of the airborne troops. Heavy fighting is going on in the Nijmegen area as we seek to tie up with the northernmost airborne elements beyond the Rhine. In less than five days the northwestern flank of the German defense line has been split and an allied striking power has been suddenly developed to threaten another section of the German frontier. At this point we are the nearest to Berlin, and here the Siegfried Line defenses may be found to be less formidable than elsewhere.

This airborne operation again supported the hopes of all of us who have been interested in developing this means of offensive warfare. It hopped over the barriers of coastal forts, flooded lands and difficult canals. It achieved tactical surprise. It placed men in strength where they were needed and is keeping them supplied from the air until the junction of the ground troops from the south. The enemy was not able to retaliate swiftly and his initial resistance was scattered, although now German troops and artillery are gathering.

The operation began with RAF heavy bombers on Saturday night attacking German airfields in Holland and Germany. The next morning over 1,000 American heavy bombers with fighter escort attacked enemy gun positions, supply depots and airfields in Holland, paving the way for the airborne troops to follow. In this phase of the operation we lost two bombers. Then came medium bombers and fighter-bombers, knocking out remaining anti-aircraft guns. The fighters challenged undisciplined guns to show themselves and dived to destroy them. Over 100 anti-aircraft positions were demolished.

With a guard of fighters, a force of almost 1,500 carrier planes and several

hundred gliders brought the troops to the allotted zones of attack. Losses were limited to two per cent as paratroopers were dropped and gliders landed. Men were placed on the ground accurately and with a concentration which made possible swift organization and the seizure of bridges and other key points.

These Allied troops were in the rear of enemy forces facing the British Second Army.

At no time was the enemy able to put planes into the sky to attack our transports. A few of his anti-aircraft guns con- sidered to operate for a while and some gliders went through flak to reach their landing places. But for the most part, flak was spasmodic and far to the side of our columns.

The next day almost as many planes and many more gliders transported additional troops and supplies to support the forces which landed on Sunday. Our losses were again limited to two per cent.

As you know, Lieutenant General Lewis

H. Brereton, Commander of the 1st Airborne Army, was in general charge of operations.

The American First Army under General Hodges has probed the West Wall from Aachen to the Luxembourg border. Our troops have been fighting in the streets of Aachen and have by-passed the town on each side. They have stabbed deep into the Siegfried Line, threatening Cologne and the industrial Rhineland. The enemy has made counterattacks and shows a will to fight. The pillboxes, guns and dragon's teeth of the West Wall are obstacles, but our troops are still pushing forward.

The American Third Army, which has been contending with heavy infantry and armor resistance, has pushed well north- east of Nancy. A spearhead approaches the Baccarat area, 23 miles northeast of Epinal.

The French and American force from southern France is now under the operational command of General Eisenhower, along with the other armies in France. American and French troops are on the outskirts of the Belfort Gap.

The bitter enemy resistance at Brest has come to an end. Much damage has been done to port facilities but the eventual use of the harbor will be important to us. The port of Boulogne, following upon the surrender of Le Havre, is near capture after successful Canadian attack.

During the week, German General Elser surrendered with 20,000 troops south

## LIQUIDATION OF WAR AGENCIES SOON

*Text of letter from President Roosevelt to Budget Director Harold Smith*

■ Total war has required a great expansion of Government activities, agencies, and personnel. Our success on the battle fronts all over the world bears witness to the effectiveness of our efforts.

Upon the termination of hostilities, we must proceed with equal vigor to liquidate war agencies and reconvert the Government to peace. Some steps along these lines may be taken when the fighting ends in Europe. The transition from war to peace should be carried forward rapidly, but with a minimum of disorder and disruption. Only careful planning can achieve this goal.

This is the time to do the planning, although the war—even in Europe—is not over. Most of the planning will probably have to wait for execution until the Japs have surrendered—and there is no way of telling when that will happen. But the plans should be ready.

In order that I may most effectively fulfill my responsibilities as Chief Executive in the demobilization period and may present appropriate recommendations to the Congress on the reconversion of the Government agencies. I am asking you to reexamine the programs, organization, and staffing of Government agencies and submit to me at the earliest possible date recommendations for adjusting the Executive Branch of the Government from the needs of war to the needs of peace.

Such recommendations should include plans for (1) the liquidation of war agencies and the reassignment of such permanent or continuing functions as they possess, (2) the reduction of Government personnel to a peace footing, and (3) the simplification and adaptation of the administrative structure to peacetime requirements.

In general, recommendations should include the methods for effecting the proposed changes and the appropriate timing of these changes. Immediate attention should be focussed on the adjustments needed upon the termination of the war in Europe. (White House, 9-19.)



of the Loire. The immediate factors in coring and capturing these troops were the organized pressure and attack of the French Forces of the Interior plus the threat of American air action. A demonstration by our planes in force appears to have been the final threat which made these Germans lay down their arms.

Altogether, the Allied armies in France have taken 457,000 prisoners. The Germans rounded up in the Brest area and at other scattered points far beyond our battle lines should increase this figure by many thousands.

In Italy, American troops have made a hole in the Gothic Line on a six-mile front 22 miles north of Florence. We are closing upon the road junction of Firenze. Brazilian troops have been in effective action at the side of the Americans within the Gothic Line positions. They have demonstrated their aggressive ability. British and Indian troops are also under Fifth Army Command in heavy fighting in the mountains.

Canadian and Greek troops of the Eighth Army in the Adriatic sector have captured part of the Rimini airfield and are within rifle range of Rimini. German troops and artillery had lodged themselves in the tiny Republic of San Marino which had tried to remain neutral. It was necessary for British troops to undertake the process of driving them out, which has been started successfully.

Our air forces operating out of Italy have attacked the enemy in Yugoslavia, central Europe and northern Italy. Among other air activities has been the mission on Monday to aid Polish patriots who are fighting in Warsaw. American heavy bombers from England, escorted by long-range fighters, dropped supplies over Warsaw. The bombers went on to bases in Russia. The next day they shuttled to Italy, bombing communication targets in Hungary on the way.

Soviet troops have launched a new drive in the Baltic area. They have cleared the Germans out of many towns in Latvia, and are pressing into the enemy defenses of Riga. East of Riga, the town of Plavinas has been taken.

To the south, Russian troops have rolled into Sofia and are pushing back the Germans and Hungarians on the plains which lead to Budapest.

In the Pacific, Army and Navy forces have joined in a double blow at the Japanese. General MacArthur's troops bypassed Halmahera and landed with no organized opposition on the Island of Morotai. It is only 300 miles from the Philippines. Thousands of Japanese on the various East Indian Islands from Halmahera to the southwest are threatened with being cut off.

Marines and Army troops, escorted and supported by powerful naval forces and carrier planes, landed in the Palau Islands. The Japanese defending this excellent fleet anchorage position only 600 miles from the Philippines were ready in force to fight to keep its possession. The Army assignment was the taking of Angaur Island, the southernmost of the Palau group. The 81st Infantry Division under Major General Paul J. Mueller has now completed this island.

Enemy propaganda is at last allowing the Japanese public to know, belatedly, that the offensive against India is over and that Japan is on the defensive. The Japanese public has been told that "for various reasons" Japanese forces have withdrawn from the Indo-Burmese border and have "shifted from Myitkina for strategic reasons."

The fact of the matter is that British and Indian troops, pressing the beaten and withdrawing Japanese forces into Burma from India, have crossed the Chin and Manipur Rivers far from the once besieged plains of Imphal. On the Tiddim Road, the pursuit is now 135 miles from Imphal. In north Burma, British and Chinese troops have pushed down the Mandalay railway 70 miles in the direction of Mawhun. In the mountains of Northeast Burma, Chinese have made contact with their comrades of the "Y" force, which has been advancing westward from China. This is only a patrol contact but it gives promise of future developments reopening the land route to China.

The "Y" force, operating in a country of towering mountains, deep chasms and narrow winding trails, is keeping on the offensive in the most difficult supply con-

ditions. Tengchong has been taken, with the killing of 2,800 Japanese there and the capture of 50 machine guns and 15 pieces of artillery. The Chinese are also forcing back the Japanese in the Lunging area.

Although the Chinese in these areas have been successful on the offensive, the Chinese ground troops to the east in south China have been obliged to fall back under the weight of well-armed and organized Japanese forces. The enemy thrust is nearing the important communication center of Kweilin where of necessity another American airbase is in process of being destroyed to prevent its possible use by the enemy.

The 14th Air Force has been pounding the troop and truck columns of the Japanese advance, destroying as many as 90 vehicles in a day and inflicting many casualties on the enemy. In one week this American air force has sunk as much as 69,000 tons of medium and small freighters and river craft, in addition to scores of smaller boats used by the Japanese for supply purposes.

Total United States Army casualties in all theaters as reported through September 6 are as follows: 64,468 killed, 177,235 wounded, 48,725 prisoners of war and 47,315 missing—a total of 337,743. Of the wounded, 72,583 have been returned to duty. (War Dept., 9-21.)

#### RECENT ANNOUNCEMENTS OF THE WAR DEPARTMENT

Within 24 hours after the first anti-aircraft artillery unit trained in the U. S. landed in Australia in March, 1942, it was flown to Port Darwin and went into position to check Japanese advances in that area (9-19).

As a result of tests during which men entered gas-filled chambers and contaminated areas, medical officers and research scientists have conclusive evidence that the M5 protective ointment, or "gasproof make-up kit," will be effective in the event the enemy resorts to gas warfare (9-19).

Seeking to answer the questions of teachers and school administrators as to how they can help boys for military service before the boys are inducted, the War Department has issued a new bulletin, "Essential Facts about Pre-Induction Training" (9-21).

A new armor-piercing incendiary bullet has been devised by Army Ordnance and is being used by American airmen on all battlefronts (9-21).

Army hospitals, in desperate need of qualified graduate nurses, will employ graduates of the U. S. Cadet Nurse Corps who have taken their Senior Cadet period in Army hospitals and who have applied for commissions in the Army Nurse Corps (9-22).

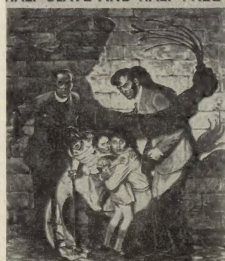
Effective Oct. 1, the 54-hour week will be relaxed in Headquarters, Army Service Forces; Headquarters, Service Commissions; and certain field installations (9-23).

A one-way, 200-mile speedway has been devised in France to enable supply trucks to keep pace with the fast-moving Allied combat forces (9-23).

A pamphlet stressing the vital importance of conserving and safeguarding material and supplies of all kinds has been distributed to Army Ground Forces (9-20).

Used lumber valued at more than \$1,000,000 has been reclaimed in the last three months by the Transportation Corps (9-30).

#### THIS WORLD CANNOT EXIST HALF SLAVE AND HALF FREE



**SACRIFICE FOR FREEDOM!**

## Small Business Opportunities For Veterans Under GI Bill Outlined

### Procedures for Loans, Eligibility Standards, and Possibilities of Successful Competition Reviewed

By QUINCY ADAMS

Chief, Division of Small Business, Commerce Department

Recent Army figures indicate a total of 7,700,000 persons in service. The Navy is approximately 3,300,000. All of these 11 million are potential beneficiaries under the GI Bill. Moreover, the 11 million comprise those members of the population who are in the most vigorous age groups. In a few years they will be carrying the heaviest part of the burden of the American economy. The GI Bill, then, which is designed better to fit them for this task, is an economic document of prime significance.

How many veterans will take advantage of the loan provisions and enter business? What lines will they prefer? In what communities will they settle? How well will they be equipped to succeed?

The general provisions governing loans to veterans are set forth in Section 500 of Public Law 846. It stipulates that in order to be eligible a veteran must have rendered military service between September 16, 1940, and the end of the war. A minimum of 90 days of active service is specified.

Let us suppose that such a veteran has had his discharge, has visited and rested to his heart's content, and is ready to look into the prospects of a small business of his own. He may be interested in a grocery store. While in service he has read up on grocery store operation, and is, therefore, aware of the basic problems which confront a grocery store operator. He knows the importance of location, the proportions which his expenses should bear to his income, the amount of physical and mental work required, and the amount of capital needed for an enterprise of the size he has in mind. It is against the background of this fundamental information that he will make his first decisions as to size, type, and location of store, supply house relationships, and character of trade to be served.

With information and reasonable estimates on these points in hand, the serviceman visits his banker. The banker may have a sentimental interest in the veteran because of the things that he represents. Undoubtedly the banker will go as far as he possibly can in aiding the veteran to carry out his plans. But a very important consideration is that bank loans for business purposes cannot be based upon sentiments; they must be based upon sound business considerations. For, in the last analysis, the bank-

er is the custodian of the funds of the depositors. Not only does he have a moral obligation to conserve them but his loaning activities are rigidly defined by law to assure that all possible protective safeguards are in force. The real value to the community of the kind of careful banking practices legally specified will be well appreciated by the veteran when he thinks of himself as a businessman and a depositor.

First of all, the banker will wish to know something of the line of reasoning followed by the serviceman in arriving at his decision to enter this particular business. Had he engaged in grocery merchandising before the war? What was the extent of his service experience

#### SYMBOL OF SERVICE



Veterans' lapel button symbol

and training? What comments are available from CO's in the service, or from pre-service employers, or teachers, in regard to his dependability and attitudes? During the discussions the veteran's character will emerge—his business character—the extent to which he, personally, may be evaluated as a good business risk.

If the bank decides to go along on the loan, questions as to the total amount and the security are in order. Section 500 states that any eligible veteran may apply to the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to exceed 50 per cent of a loan or loans, and that the aggregate amount guaranteed shall not exceed \$2,000. Thus the decision of the bank to make the loan may be based on considerations of the security offered by the lease, stock and fixtures, the character of the applicant, and the fact that the Government guarantees one-half up to \$2,000. Perhaps a total loan is arranged

for \$4,000. Note that the law does not provide that any part of the loan be for working capital.

On what basis will the request of the veteran for the guaranty of the Administrator in the amount of \$2,000 be approved? Section 503 states that an application may be approved by the Administrator if he finds that the loan will be used as stated; that the property is reasonably necessary for the pursuit of the occupation; that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonably normal value thereof as determined by proper appraisal.

How will the Administrator be satisfied that the veteran has a reasonable chance of succeeding and that he is paying a fair price? The law empowers the Administrator to ask assistance in these determinations from sources outside the Veterans' Administration. Section 505 (a) says "The Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty of loan should be approved . . ."

A point not entirely clear in the present wording of the bill is whether, in the event of loss, the guaranty is to be exhausted first. If the loans for \$4,000 and \$2,000 are guaranteed, do the loaning institution and the Government share the loss in some proportion based upon their interest in the loan, or is the loss absorbed first in the \$2,000 guaranteed by the Government? Presumably this question will be clarified eventually by a legal ruling.

Once the loan has been guaranteed, it bears interest at a rate not to exceed 4 per cent, and is payable in full in not more than 20 years. However, interest for the first year on the part guaranteed by the Administrator shall be paid by him out of available appropriations. Application for the guaranty of the loan may be filed within 2 years of separation from service, or 2 years after termination of the war, whichever is later, but in no event more than 5 years after termination of the war.

Practical standards of eligibility will tend to develop as applications are processed in substantial numbers. As has been indicated, it is presumed that a substantial part of the initial responsibility for the loan in the field would be on the shoulders of the local banker, a man usually extremely well informed upon business opportunities and general conditions in his area. Ultimately, however, the document requesting an application for loan must go to the Veterans' Administration, which will act upon it in accordance with the best information at hand. The subsequent action of the Administration

may or may not be based entirely on the information furnished by the local banker.

Fundamentally, it is, of course, important that standards be neither too low nor too high. If the standards are low and easily met, presumably large numbers will enter business. Many will be inadequately equipped. Some will be short of funds, others of experience and training. A few may be temperamentally unsuited to the line they choose. Under these conditions, mortality will be heavy. Within a few months of starting business, many veterans will have failed. They will be back at the desk of the man who certified that they had "a reasonable chance of success" and will be asking him, "How come?"

On the other hand, standards might be set very high. With a combined requirement of ample resources, experience and training, they might practically guarantee the success of every approved applicant. But relatively few would have these qualifications to offer. The great bulk of the veterans seeking to enter business would be turned away. They might ask: "Have the stay-at-homes deliberately fixed it to keep us out so that we won't compete with them? What have we been fighting for anyway?"

When the veteran actually enters business he is entering a difficult competitive struggle—a struggle about which it is important for him to know something in the over-all sense before he takes the fatal step.

When we say that the American enterprise system is one of free competition, we mean just that. One of its workings out is heavy business mortality. Something like 500,000 concerns start in business each year and almost the same number withdraw. New enterprises start in a ratio of about 1 to 5 concerns in existence; withdrawals from business are in about the same proportion. Contrast this with the ratios of the human population. In 1940 births were 1 to 55 of population; deaths, 1 to 95.

As yet we have not estimated how many veterans will enter business on GI Bill guaranteed loans—nor, of those who enter, how many will succeed and how many will fail.

On the understanding that they are solely estimates, we might offer the following considerations. We have seen that there are about 11 million in service. Perhaps after the war, both in Europe and Asia, it will be advisable to retain 2 to 3 millions in the armed forces. This would permit demobilization of from 8 to 9 millions.

A certain proportion of these will return to jobs. Others will continue training. Some will go into businesses that are being kept afloat for them now by partners or relatives. Some will start new businesses. Undoubtedly there will be those who will try various things for 2 or 3 years and who will then go into business. Also, certainly, some of those

who go on with training may do so with the object of fitting themselves for a particular business.

From the foregoing considerations it would not seem unreasonable if 3,000,000 GI's elected to go into business for themselves. This would not necessarily be in the first year after the war, but might be spread over the first 3 or 4 years. At that rate from 750,000 to 1,000,000 veterans would be entering business in the period. There would also be war workers and others who would be doing the same thing. When we remember that over the pre-war years there were about 500,000 new concerns each year, we can get some measure of the intensity of the postwar struggle. But markets must be rebuilt, distributive systems re-created, the economy placed on a high employment peacetime level. This all means that there may be room for more concerns in 194x, 194x+1 and 194x+2 than the Pearl Harbor peak of 3.4 million.

Even so, if anything like the numbers we have been guessing at actually do seek to enter business, failures will be extremely heavy. Perhaps because of their youth, ambition, willingness to

learn, and access to initial financing, however, the GI's may not fail in the same proportion as all entrants into business failed before the war. Of the 3,000,000 who may enter business between 194+ and 194x+4, perhaps, instead of the 21 percent which lasted 10 years or more in the Poughkeepsie survey, as many as 25 to 30 percent may still be in existence between 194x+10 and 194x+14.

Public Law 346 (the GI Bill of Rights) provides for the guaranty of loans to qualified veterans for the purchase of business property. Presumably the veteran makes his loan arrangements with his banker and then makes application to the Veterans' Administration for the guaranty. At the moment the proportion of loss absorbed by the guaranteed and nonguaranteed portions is not clear.

During the past 3 years large segments of our economy—those dealing with the production and distribution of peacetime civilian-type goods—have been in a state of suspended animation. They may be brought to vigorous, productive life as young veterans of World War II take up the fundamental responsibilities of business. (Commerce Dept.)

## ARMY BADGES OF HONOR



Distinguished Service Medal



Congressional Medal of Honor



Soldier's Medal



Distinguished Flying Cross



Silver Star



Distinguished Service Cross



Air Medal



Order of Merit



Purple Heart



## POLITICAL PARTIES ARE GETTING EQUAL TIME IN REBROADCASTING TO TROOPS

Following a conference of representatives of the five political parties qualified under the law with representatives of the Army, agreement has been reached on a plan for the rebroadcast of political speeches by shortwave to troops overseas.

Title V, Public Law 277, provides that nothing in the statute "shall prohibit the rebroadcast over Government-controlled radio stations of any political address, but equal time must, if requested, be given for such purposes to representatives of each political party which had a candidate for President in at least six States in the current Presidential election." At present the Democratic, Prohibition, Republican, Socialist, and Socialist Labor Parties have Presidential candidates in at least six States. All the parties have agreed in writing to the plan.

The arrangement, which is subject to amendment if any other political party qualifies under the statute, provides for five series of shortwave rebroadcasts over the facilities and time allotted to the Armed Forces Radio Service, with each party using equal time in each series. The order of daily assignments within each five-day series is rotated so that each party has the first broadcast period in one of the series. Allocation of the five series to the calendar weeks conforms to requests of the parties.

In addition to the shortwave schedule, a program has been agreed upon for shipment overseas of recordings of the speeches in the first two series for rebroadcasting from Army Expeditionary stations. One hundred and sixteen of these stations are now in operation in all theaters of operation.

## U. S. ARMY TASKS REQUIRE VITALITY

Moving the Army's supplies and equipment requires the services of both the young and the not so young in the diverse activities of transportation, according to officers who direct training and front-line operations. Driving a truck in a battle area takes qualities different from those needed for the same work in a rear section, and different again from operating or grooming a locomotive, maintaining track, riding and repairing harbor craft or managing traffic at a control center.

A truck driver at the front must stay behind the wheel as much as 18 hours on a stretch, under extremely adverse conditions. Mud, rocks and shell-holes sap his strength, and fatigue becomes a very important factor in errors that can ditch food or ammunition awaited at the battleline. Sometimes, according to ob-

servers, sheer physical power to swing the wheel makes the difference between success and failure. Keen eyes are essential, and good night vision is necessary to rush supplies under blackout conditions. As an example of what front-line truck drivers have to take, Army transportation officers cite the battle of the Volturno river in Italy. For days and nights at a time, Quartermaster men operating with the Transportation Corps had to ply 92 miles and back between the beaches and the battle, driving 12 to 14 hours out of 24. On another occasion in Italy, security dictated location of a supply dump where drivers had to help lift each truck in and out of the dump with a winch.

Conditions in base sections, removed

from the fighting, are not so arduous and transportation officers find truck-driving there much more suitable to the average man past his twenties than work at the front. In fact, they believe a little extra maturity there may be of advantage, since age reduces tendencies to recklessness that could result in destruction of supplies.

In the Transportation Corps itself, officers say, age runs generally higher than in the Army as a whole. This is strikingly true in railroad men who are freighting materiel right up to the railheads of the war areas, such as the embattled India-Burma theater. They learned their trade through long civilian service, as did the shop battalions that keep the cars and engines rolling, and the crews that maintain the tracks built by the engineers.

Moreover, in transportation as in most other Army activities, officers in charge of training and operations emphasize that the determining factor is not a man's chronological age, but his physical condition and fitness for the job. Although the probabilities may be against older men in some positions, there are exceptions in all types of work. On the other hand, training officers of the Transportation Corps find it advisable to intermingle some young men even in the battalions whose prime qualification is great experience.

In the Signal Corps the story is much the same. Given equal experience and ability, this corps prefers younger men because, in the aggregate, their use makes for a more versatile force. Assigning available corpsmen according to their condition and talents, personnel officers are likely to place a man of less than maximum stamina in a rear area where he will be able to do the work well. But a man physically prime can be shifted quickly wherever needed, whether at the rear or on a difficult battle line.

Stringing a line under combat conditions calls for the utmost in physical endurance. Once started, the job must be carried through without interruption regardless of how long it takes and how hard the going becomes. Here the probabilities favor young men, according to Signal Corps officers. They recognize, however, that some older men may be able to endure hardships with the younger.

Moreover, in many positions the importance of experience throws the balance to older men. In rear echelon units, for example, technical experts are absolutely essential. As a rule it takes years to acquire the knowledge and skill necessary for this work, which includes such duties as rebuilding radio sets. (OWL)

## Substantial Savings Achieved in the Use of Paper by Government Agencies

### Elimination of Periodicals, Reductions in Mailing Lists, and Cuts in Size of Publications Effected

Substantial savings in the use of paper have been achieved by the Inter-Agency Publications Committee of the Office of War Information, the committee announced today.

Some of the Committee's savings were:

1. Elimination, during 1943, of 258 Federal Government periodical publications out of a total of 705, a reduction of 37% in the number of publications. Of the remainder, 283 were reduced in size. During the same period, a total of only nine new informational periodicals were granted permission to appear by the committee.

2. Savings of 246.8 tons of paper in non-periodical publications were made during the first six weeks OWI Regulation 8 was in effect, beginning Dec. 1, 1943. This regulation required clearance for all Federal informational publications by the Inter-Agency Publications Committee. Requests for 552.8 tons were whittled to consumption of 306 tons. Since that date, requests have been reduced as Government agencies cooperated with the committee in the application of Regulation 8. As a result of this cooperation, only 183 tons were requested during the second six weeks—as contrasted with previous requests for 552.8 tons—and out of this total, 11 tons were refused. Typical of voluntary reductions was the Department of Agriculture's cut of 28 per cent in its requirements.

3. Reduction of mailing lists of periodical publications by 12,000,000 copies, a cut of 38.8%. Lists of persons requesting "all publications" were abolished, and all persons not requesting specific publications, in writing, were dropped after a mail check-up.

4. Restraint of all agencies of the government, including the OWI itself, from sending any materials—press releases, speeches or other—to daily or weekly newspapers outside Washington, except in response to specific written requests. An exception was made for a strictly limited number of Treasury War Finance publicity materials.

5. Reduction in the length of printed periodicals handled through the Government Printing Office from an average of 33.8 pages to an average of 19.2 pages. In March, 1943, new requisitions, or print orders, which would under OWI Regulation No. 8 have been subject to clearance by the committee, averaged 70 a week; in March, 1944, the average was

16 new requisitions a week. Paper procured through the Government Printing Office in 1943 totaled 161,000 tons. Contracts for paper obtained by agencies on waiver totaled 91,000 tons. Of the grand total of 252,000 tons used by Federal agencies in 1943, only 24,600 tons, or less than 10%, were used for informational printing. Thus far in 1944 use of paper for informational purposes by Federal agencies has been further reduced.

Following is the text of OWI Regulation No. 8, under which the Inter-Agency Committee operates:

I. After November 30, 1943, all informational publications of a Federal Department or Agency shall be cleared for necessity of publication, economy of format, and economy of permitted distribution, by a person or persons designated for that purpose by the chief of the issuing Department of Agency. On or before the 15th day of each month thereafter, the person or persons so designated shall file with the Inter-Agency Publications Committee a report listing all informational publications which have been so cleared, either tentatively or finally, during the preceding month, together with copies of all such informational publications which have received final clearance by the Agency, and which

have been printed or processed during the month.

II. All publications consisting of 300,000 or more individual units per issue (i.e. number of pages multiplied by number of copies) to be distributed to the public by any Federal Department or Agency shall be cleared by the Inter-Agency Publications Committee, except as provided in the Supplement to this Regulation. Publications of a smaller unit size shall be referred to the Inter-Agency Publications Committee at the discretion of the departmental clearing officer or at the request of the Committee itself. Clearance by the Inter-Agency Publications Committee for all publications above 300,000 units per issue will be a prerequisite to acceptance for printing or processing by the Government Printing Office or Central Administrative Services.

a. At the discretion of the Government Printing Office or the processing unit of the Agency concerned, publications of a smaller unit size may be referred for approval to the Inter-Agency Publications Committee before acceptance for printing or processing.

b. Publications to be multilithed, mimeographed, or otherwise processed shall be cleared as provided above, and in addition, regardless of the total number of units, no publication may be mimeographed in a quantity exceeding 5,000 copies, or multilithed or otherwise processed in a quantity exceeding 15,000 copies, until cleared by the Inter-Agency Publications Committee. (OWI.)

### RECENT ANNOUNCEMENTS OF THE WAR MANPOWER COMMISSION

Revised rules of procedure apply to cases of possible violation of the wage and salary stabilization laws (9-18).

The National War Labor Board today announced it had adopted unanimously bonus and overtime payments for employees of local transit companies affected by two resolutions (9-19).

An amendment to General Order No. 10 provides that an employer may pay a Christmas or year-end bonus of \$25 or less to each of his employees without WLB approval (9-20).

General Order 31, on individual wage adjustments, amended to provide that employers who have job classification rate ranges may hire 25% of all employees hired for jobs which have established ranges at rates above the minima of the ranges (9-21).

The National War Labor Board in a statement of policy announced today said that employers who close their shops on V-E will not violate wage stabilization regulations (9-22).

12 substitute representatives of labor and industry may be named to serve on Regional Boards in the absence of regular or alternate representatives of their respective groups (9-23).

### RECENT ANNOUNCEMENTS OF THE NATIONAL WAR LABOR BOARD

Special programs initiated during August to find workers for the heavy iron industry were markedly successful (9-16).

Unless recruitment of workers for powder and shell-loading plants is increased, a shortage of explosives will develop (9-20).

Manpower difficulties in communication wire production show signs of easing (9-21).

## CAUSEWAY



U. S. Coast Guard Photo  
U. S. Coastguardsmen and Marines build a temporary causeway



## ★ CONGRESSIONAL DIGEST ★

A summary of bills passed, measures introduced, legislation discussed, and miscellaneous actions taken by the Senate and the House—prepared by Ruth Nash especially for VICTORY BULLETIN.

SEPTEMBER 18

## HOUSE OF REPRESENTATIVES

Instruction to House conferees on the war mobilization and reconversion bill (S. 2051) to insist on their disagreement on section 303 of the bill relating to transportation of civilian workers ordered by a vote of 239 to 90; disagreement on section 403 relating to unemployment compensation for Federal employees also ordered by a vote of 174 to 156.

Conference report on the bill (H.R. 5125) to provide for the disposal of surplus Government property and plants placed in Record; statement of managers for the House presented by Rep. Carter Manasco (D., Ala.); move to recommit offered by Rep. Robert Hale (R., Me.) defeated by a vote of 150 to 169; conference report adopted by a vote of 174 to 91.

House and Senate bills (H.R. 5067 and S. 2028) relating to service of WAVES outside of continental U. S. discussed; data on women in naval services submitted.

Extension of time within which application may be made by veterans for reemployment provided for in a bill (H.R. 5386) passed on a voice vote; letter from the Director of the Selective Service System relative to the purpose of the bill submitted.

Statement by Col. Francis V. Keesling, Jr., chief liaison and legislative counsel to the Selective Service System, before the special committee of the Committee on Military Affairs in investigating draft deferment relative to supposed statement of General Hensley regarding demobilization submitted by Rep. John M. Costello (D., Calif.).

Further investigation of the Pearl Harbor disaster provided for in resolutions (H. Res. 643 and H. Res. 444) introduced by Rep. Forest A. Harness (R., Ind.) and Hugh D. Scott, Jr. (R., Pa.); referred to the Committee on Rules.

Approval of a act (S. 2105) to provide appropriations for a postwar highway construction program confirmed in Senate message; concurrence of House requested; referred to the Committee on Roads.

Letter from Rep. Winder R. Harris (D., Va.) announced resignation.

Letter from the Comptroller General transmits a report of the financial transactions of the Federal Crop Insurance Corporation, Dept. of Agriculture, from July 1, 1940 to June 30, 1941 (Executive Communication 1840); referred to the Committee on Agriculture.

Report from the chairman and general manager of the board of directors of the Smaller War Plants Corp. from June 1, 1943 to July 31 transmitted by a letter from the Acting Chairman of WPB; referred to the Committee on Banking and Currency.

Report on activities under the Federal Aid to Wildlife Restoration Fund for the fiscal year ending June 30, 1944, contained in a letter from the Acting Secretary of the Interior, referred to the Committee on Agriculture.

Facts on the suspension for more than 6 months of deportation of 302 individuals, together with the reason for such suspension contained in a letter from the Attorney General; referred to the Committee on Immigration and Naturalization.

Report (Rept. No. 1983) of the Committee on Interstate and Foreign Commerce on a resolution (H. Res. 307) to study and investigate present and future navigation and commerce submitted by Rep. Alfred L. Bulwinkle (D., N. C.); referred to the House calendar.

Retirement of certain veterans who served in both World War I and World War II provided for in a bill (H.R. 5375) introduced by Rep. Fred E. Busbey (R., Ill.); referred to the Committee on Military Affairs.

A bill (H.R. 5376) aiming to reduce juvenile delinquency through use of funds appropriated under the Social Security Act for aid to dependent children introduced by Rep. Pat Cannon (D., N.Y.); referred to the Committee on the Judiciary.

Establishment of a Missouri Valley Authority to unify water control and resource development on the Missouri River provided for in a bill (H.R. 5377) introduced by Rep. John J. Cochran (D., Mo.); referred to the Committee on Rivers and Harbors.

Authorization of West Point instruction of not more than 10 persons at a time from the American republics provided for in a bill (H.R. 5379) introduced by Rep. Andrew J. May (D., Ky.); referred to the Committee on Military Affairs.

Extension of time within which veterans may make application for reemployment provided for in bills (H.R. 5378 and H.R. 5386) introduced by Representatives May and John W. McCormack (D., Mass.); referred to the Committee on Military Affairs.

Inclusion of persons engaged in handling, planting, drying, packing, etc., agricultural commodities under certain provisions of the Social Security Act provided for in a bill (H.R. 5380) introduced by Rep. George E. Outland (D., Calif.); referred to the Committee on Ways and Means.

Temporary increase in the age limit for appointments to the U. S. Military and Naval Academies provided in bills (H.R. 5381 and H.R. 5382) introduced by Rep. L. Mendel Rivers (D., S.C.); referred to the Committee on Military Affairs.

A bill (H.R. 5388) relating to the traveling expenses of the armed forces transferred from one hospital to another at their own request introduced by Rep. Fred H. Bradley (R., Mich.); referred to the Committee on Military Affairs.

(The Senate was not in session)

SEPTEMBER 19

## THE SENATE

Conference committee report on the war mobilization and reconversion measure (S. 2051) and a report of the Senate conferees submitted.

Approval given to bill, agreed to in conference, eliminating the provisions dealing with unemployment compensation for federal workers and transportation for migratory workers.

Conference committee report on the bill (H.R. 5125) dealing with the disposal of surplus property passed after extended discussion.

Agreement of the House to the conference committee report on the bill (H.R. 5125) to provide for the disposal of surplus government property and plants confirmed in House message.

Passage of a bill (H.R. 5386) to amend the Selective Training and Service Act of 1940 to extend the time within which application may be made for reemployment confirmed in House message; concurrence of the Senate requested.

Second quarterly report concerning surplus government property and materials transmitted with communication from the President in response to S. Res. 155; referred to the Committee on Military Affairs.

A confidential letter from the Secretary of War relative to the personnel of the land forces on board S. S. referred to the Committee on Military Affairs.

Facts pertaining to and reasons for suspension for more than six months of deportation of 302 individuals contained in a letter from the Attorney General.

Letter from the President dealing with the importance of reclamation of land in connection with the development of the water resources of various river basins, and resolution approved by the Water Conservation Conference submitted by Rep. Joseph C. O'Mahoney (D., Wyo.).

Favorable report of the Committee on Finance on bills (S. 2013 and S. 2053) to liberalize certain provisions of the National Service Life Insurance Act of 1940 made by Sen. Walter F. George (D., Ga.).

Report on persons who are not full-time employees of the Senate or any committee thereof submitted by Sen. James M. Mead (D., N. Y.) for the Special Committee to Investigate the National Defense Program.

Increase of exemption limit on the registration of securities from \$100,000 to \$200,000 provided for in a bill (S. 2152) introduced by Sen. Arthur H. Vandenberg (R., Mich.); referred to the Committee on Banking and Currency.

Report on investigations of broad utilization of farm products submitted by a subcommittee of the Committee on Agriculture through Sen. Guy M. Gillette (D., Iowa).

Postponement of consideration of equal rights amendment debated by Sen. Alben W. Barkley (D., Ky.), Sen. Wallace H. White, Jr. (R., Me.) and Sen. Homer Ferguson (R., Mich.).

Sen. Henrik Shipstead (R., Minn.) criticizes President Roosevelt's leadership in foreign policy.

Sen. Joseph H. Ball (R., Minn.) defends Dumbarton Oaks conference from charges of secret diplomacy.

Text of armistice terms granted to Romania cited by Sen. Robert A. Taft (R., Ohio).

America's part in maintaining peace and security after World War II discussed by Sen. Harold H. Burton (R., Ohio).

## HOUSE OF REPRESENTATIVES

Service of the Women's Reserve of the Navy and Coast Guard in the American area, Hawaii and Alaska, allowed in S. 2028, approved.

Clarification of inequality between peacetime and wartime veterans in compensation for disabilities provided for by passage of S. 5041.

Owners of private airplanes and amateur radio operators authorized to serve as members of the Coast Guard voluntary service under H.R. 5255 as approved.

Conference report on demobilization and reconversion bill (H.R. 2051) filed by Rep. Robert L. Doniphan (D., N. C.).

Approval of S. 725 makes the offense of conspiring to counterfeit punishable as the major base offense of counterfeiting.

Senate message announces agreement to the conference committee report on the demobilization and reconversion bill (S. 2051).

Table on the distribution of the three and a half million civilian employees on the Federal payroll, taken from the current report of the U. S. Civil Service Commission, cited by Rep. Henry D. Dworshak (R., Idaho).

Data on compensation for U.N.R.R.A. employees cited by Rep. Frederick C. Smith (R., Ohio).

Draft of a resolution to amend the Nationality Act of 1940 contained in a letter (Executive Communication 1850) from the Attorney General; referred to the Committee on Immigration and Naturalization.

Broadcasting of the proceedings of the Senate and House of Representatives provided for in a joint resolution (H.J. Res. 311) introduced by Rep. John M. Coffee (D., Wash.); referred to the Committee on Rules.

Designation of last Thursday in November as a legal holiday proposed by Rep. Harold Knutson (R., Minn.) in H.J. 312.

Immediate relief to the people of Italy by U.N.R.R.A. favored in a resolution (H.J. Res. 45) introduced by Rep. Louis J. Capozzoli (D., N. Y.); referred to the Committee on Foreign Affairs.

OFA release concerning food items to be removed from rationing table.

SEPTEMBER 20

## THE SENATE

Action on bill (S. 2048) to create a permanent F.E.P.C. postponed until after election following a report by Sen. Deane Chavez (D., N. M.) for the Committee on Education and Labor.

Nomination of Dr. Marshall L. Shepard, Negro of Philadelphia, to be Recorder of Deeds for the District of Columbia, approved after motion of Sen. Harold H. Burton (R. Ohio, to recommit failed.

Theodore P. Wright's nomination to be Administrator, Civil Aeronautics Administration, confirmed.

Authorization of the reduction of fares by common carriers for personnel of the armed forces provided by passage of H. R. 5196.

House message confirms passage of S. 725 providing for the punishment of persons committing to violate the laws relating to counterfeiting.

Passage of S. 2028 permitting Women's Reserves of the Navy and Coast Guard to serve in the American area, Hawaii, and Alaska, confirmed by House.

Concurrence of the Senate requested to House passage of an act (H.R. 5255) to amend the Coast Guard Auxiliary and Reserve Act of 1941. Senate Committee on Commerce reported favorably.

Reports by Board of Investigation and Research on transportation referred to the Committee on Interstate Commerce.

Existence of the Alaskan International Highway Commission for four more years provided for in a bill (H.R. 4625) reported from the Committee on Foreign Relations by Sen. James M. Tunnell (D., Del.).

Affirmation of the intent of Congress that the regulation of the business of insurance remains within the control of the States, and that the act of July 2, 1890, and October 15, 1914, as amended, not applicable to that business provided for in a measure (H.R. 3270) reported favorably from the Committee on the Judiciary by Sen. Pat McCarran (D., Nev.); minority views also presented.

A bill (H.R. 4163) relating to functions of the War Shipping Administration reported favorably by Sen. George L. Radcliffe (D., Md.) for the Committee on Commerce.

Amendment of the Interstate Commerce act to authorize common carriers to reduce fares to personnel of armed services provided for in a bill (H.R. 5196) reported favorably by Sen. Burton (R., Ohio, to Mon.) for the Committee on Interstate Commerce.

The creation of an Office of Naval Research, Development and Patents in the Navy Department provided by a bill (S. 2159) introduced by Sen. James G. Scrugham (D., Nev.).

Liberalization of the National Service Life Insurance Act of 1940 provided by passage of S. 2015 and S. 2058.

House message confirms approval of the report of the conference committee on the war mobilization and reconversion bill (S. 2051).

Postponement of court-martial procedures against General Short and Admiral Kimmel discussed by Sen. Alexander Wiley (R., Wis.).

Employment of engineers and economists for consultation purposes on important reclamation work provided for in H. R. 3429 passed.

Favorable report on the nomination of Edward Macauley to be a member of the U. S. Maritime Commission made by Stanley C. Howell, Sen. Bailey (D., N. C.) for the Committee on Commerce.

Favorable reports made by Sen. Alben W. Barkley for the Committee on Foreign Relations on the following nominations for Ambassadors: Walter Thornton, Bolivia; John F. Simmons, El Salvador; Arthur Bliss Lane, Government of Poland now established in London; Charles Sawyer, Belgian Relations; Charles Sawyer, Luxembourg; and George Wadsworth, Lebanese Republic; Government of Norway now established in London; John C. Wiley, Colombia; all nominations approved.

Nominations of the following to be Ministers were favorably reported by Sen. Barkley for the Committee on Foreign Relations: Charles Sawyer, Luxembourg; and George Wadsworth, Lebanese Republic; Government of Syria; nominations approved.

Flying of U. S. and United Nations flags on V-E day urged by Gen. Claude Pepper (D., Fla.); history of selection of the United Nations flag reviewed.

#### HOUSE OF REPRESENTATIVES

Conference committee report on the War Mobilization and Reconversion Act of 1944 agreed to.

Senate message confirming its acceptance of the conference committee report on the bill (H.R. 5125) providing for the disposal of surplus Government property.

Appropriation of funds for the development and maintenance of the devices for the propulsion of aircraft and for national defense provided for in a bill (H.R. 5407) introduced by Rep. J. D. Balaize (D., N. C.) referred to the Committee on Interstate and Foreign Commerce.

Amendment of the Mustering-Out Payment Act of 1944 for accomplishing certain mustering-out payments on behalf of monthly disabled veterans provided for in a bill (H.R. 5408) introduced by Rep. Andrew J. May (D., Ky.); referred to the Committee on Military Affairs.

A bill (H.R. 5410) dealing with power and flood control on the Missouri River introduced by Rep. John T. Rankin (D., Miss.); referred to the Committee on Rivers and Harbors.

Creation and expansion of postwar employment and opportunity by encouraging small businesses provided for in a bill (H.R. 5411) introduced by Rep. Howard H. Buffett (R., Neb.); referred to the Committee on Ways and Means.

Amendment of the Internal Revenue Code and the Federal Alcohol Administration Act provided in a bill (H.R. 5413) introduced by Rep. Cecil R. Kirt (D., Calif.); referred to the Committee on Ways and Means.

Release from the Army of married enlisted men who have reached 35 years of age provided in a bill (H.R. 5414) introduced by Rep. Harry H. Fish (R., N. Y.); referred to the Committee on Military Affairs.

Review of the accomplishments of the Army engineers on the war and home fronts presented by Rep. James J. Heffernan (D., N. Y.).

Data on the total electric sales in nine states in 1943 (H. R. 5415) introduced by Rep. Harry H. Fish (R., N. Y.); referred to the Missouri River Authority.

R.F.C. aid to small business discussed in a letter from Secretary of Commerce Jesse H. Jones.

#### THE SENATE

Concurrent resolution (S. Con. Res. 53) favoring freedom of international interchange of news approved.

Adjournment until Nov. 14 approved.

Reports on unexpended balances and reorganization submitted by Sen. Harry Flood Byrd (D., Va.) for the Joint Committee on Reduction of Nonessential Federal Expenditures.

Authorization of the appropriation of funds to assist states and territories in financing educational facilities provided for in a bill (S. 637) reported by Sen. Elbert D. Thomas (D., Utah) for the Committee on Education and Labor.

Promotion in rank of American prisoners of war provided for in a bill (S. 2320) introduced by Sen. Tom Connally (D., Texas); referred to the Committee on Military Affairs.

Support of the St. Lawrence seaway and power project indicated in a letter from Leo T. Crowley, Administrator, Foreign Economic Administration.

Amendment of the Internal Revenue Code to extend the exemptions now permitted to those in the armed services to the amount of \$1,500 for a period of two years beyond the close of the war provided in a bill (S. 2173) introduced by Charles McNary (D., Ind.); referred to the Committee on Finance.

Analysis relative to treaties and executive agreements ordered to be printed as S. Doc. No. 244.

Bills (H.R. 4206 and H.R. 5255) amending the Coast Guard Auxiliary and Reserve Act of 1941 and bill (H.R. 4141) to amend War Over-time Pay Act of 1943, passed.

Bill (H.R. 4625) to extend the existence of the Alaskan International Highway Commission for an additional four years passed over.

Bill (H.R. 3270) affirming the intent of the Congress that the regulation of the business of insurance remains within the control of the States reconsidered and passed over.

Bill (H.R. 4163) relating to functions of the War Shipping Administration passed with amendments.

Message from the President favoring the development of the Missouri River Basin referred to the Committee on Agriculture and Forestry.

Adjustment of certain loans under Farm Credit Administration, provided in S. 1688, passed.

Naval policy on discharge of personnel explained in a letter from Rear Admiral L. E. Benford.

Letter from 16 Senators to the Secretary of Agriculture and the Price Administrator, relating to informal conferences on livestock production and livestock fed in the midwestern states, submitted by Sen. Clyde A. Reed (R., Kan.).

Development of aviation reviewed by Sen. James A. Reed (D., N. Y.); discussion on the future of American aviation equipment with that of the rest of the world follows.

Sen. Arthur Walsh (D., N. J.) appointed Acting President pro tempore during absence of Sen. Carter Glass (D., Va.).

Government corporations discussed by Sen. Hugh Butler (R., Neb.).

Report on estimate of State highway department and income tax revenue by the Federal Works Agency, Public Roads Administration, offered by Sen. Carl Hayden (D., Ariz.).

Senators John H. Rankham (D., Ala.), Pat McCarran (D., Nev.), Dennis Chavez (D., N. M.), Chan Gurney (R., S. D.) and John Thomas (R., Idaho) appointed as conferees on the bill (H.R. 3429) dealing with employment of engineers and economists for consultation purposes on reclamation work.

#### HOUSE OF REPRESENTATIVES

Passage of two bills (S. 2015 and S. 2058) to liberalize certain provisions of the National Service Life Insurance Act of 1940; passed by the House.

Passage of concurrent resolution favoring international free press (S. Con. Res. 53) announced in Senate message; House also passes.

Adjournment until Nov. 14 approved.

Reps. Compton I. White (D., Idaho), J. W. Robinson (D., Utah), John E. Murreck (D., Ariz.), Devey Short (R., Mo.) and Robert F. Rockwell (R., Cal.) appointed as House conferees on the bill (H.R. 3429) dealing with employment of engineers and economists for consultation purposes on reclamation work.

Senate amendments to the measure (H.R. 4163) dealing with the functions of the War Shipping Administration approved.

Proposed constitutional amendment to provide for ratification of treaties by a majority vote of the Senate and House of Representatives discussed by Rep. J. Percy Priest (D., Tenn.).

Report of the Reconstruction Finance Corporation for the month of June, 1944, contained in a letter from its chairman.

Report on Great Lakes connecting channels with a view to making modifications transmitted in a letter from the Secretary of War.

Retention of certain equipment issued to civilian defense volunteers provided for in a bill (H.R. 5429) introduced by Rep. Bernard W. Kearney (R., N. Y.); referred to the Committee on Expenditures in the Executive Departments.

A bill (H.R. 5430) relating to withholding of tax at source was introduced in the case of community income introduced by Rep. Paul H. Maloney (D., La.); referred to the Committee on Ways and Means.

Approval by the House of certain resolutions adopted at Santiago, Chile, on April 15, 1944, looking toward the establishment of an American Intercontinental Council, was expressed in a resolution (H. Res. 646) introduced by Rep. Pete Jarman (D., Ala.); referred to the Committee on Foreign Affairs.

## ☆ WAR PRODUCTION ☆

### Increased Information on Cutbacks Now Made Available Through New Program

**Director of War Mobilization Byrnes Has Directed Agencies to Provide Data on Contract Terminations**

Director of War Mobilization James F. Byrnes has directed government agencies to put into effect certain procedures designed to supply to both management and labor information with reference to cut-backs which will be helpful in promoting orderly reconversion.

On September 19, representatives of the War Department, Navy Department, War Production Board, War Manpower Commission, Surplus War Property Administration and the Maritime Commission met with Justice Byrnes. At this meeting certain conclusions were developed. He has directed the responsible agencies to take immediate steps to incorporate these conclusions into working procedure.

The Production Executive Committee of the War Production Board, upon which is represented both management and labor, will be responsible for the collection of information from the procurement agencies relating to cut-backs and for the compilation of this information into summarized form. The PEC will make this information available to government agencies concerned with cut-backs.

Three steps are provided in the directive for making cut-back information available to labor. The procurement agencies will see to it that the information made available to management with reference to contemplated cut-backs is transmitted promptly to employees. The WPB will furnish national management and labor organizations with summarized general information relative to the magnitude and regional location of cut-backs. The War Manpower Commission will obtain from PEC the data with which to advise its field representatives of major cut-backs in specific locations which will require special consideration in the placement of released manpower.

Under a directive issued by Director Byrnes last May it is provided that the WPB be advised in advance by procurement agencies of all proposed cut-backs so that full consideration may be given to all factors involved in the selection of the facilities to be released from war production. This requirement for individual contract clearance by WPB will be waived on V-E Day because of the

administrative difficulties involved in clearing the vast number of contracts to be terminated. This waiver, however, is with the distinct understanding that the procurement agencies will report all possible information relative to cut-backs to WPB in advance of V-E Day and cut-backs not so reported in advance will continue to be made under established policies which now prevail.

To facilitate plant clearance after V-E Day the Surplus War Property Administrator is directed to advise procurement agencies at the earliest possible date with reference to location of storage space in order that the storage space may in turn be assigned to specific contracts and contractors.

The memorandum which Director Byrnes has transmitted to the Under Secretary of War, the Under Secretary of Navy, Chairman of War Production Board, Chairman of the War Manpower Commission, Surplus War Property Administrator and the Chairman of the Maritime Commission follows:

1. Herewith are the conclusions developed at the meeting held in my office on 19 September 1944 to discuss the progress of termination planning and the improvement of procedures to assure rapid settlement of curtailed contracts.

2. It is expected that the responsible agencies will take immediate steps to incorporate these conclusions into working procedure.

*Conclusions Developed at the Meeting in Justice Byrnes' Office, 19 September 1944.*

1. *Centralization of Statistics and Information in PEC Staff of WPB*

The Production Executive Committee of the War Production Board will be responsible for the collection of information from the procurement agencies relating to cut-backs and for the compilation of this information into summarized form. It will make this information available to other government agencies concerned with cut-backs at such periods and in such form as may be mutually agreed upon.

2. *Making Cut-Back Information Available to Labor*

a. The procurement agencies in advising management of contemplated cut-backs, will request management to make the information available promptly to labor. These agencies will also request management to report the time of and method used in so advising labor.

b. The War Production Board will furnish national management and labor organizations with summarized general information relative to the magnitude and regional location of cut-backs, and the criteria used in determining such cut-backs.

c. The War Manpower Commission will obtain from the Production Executive Committee of War Production Board the requisite data to advise its field representatives of major cut-backs in specific locations which require special consideration in the placement of released manpower.

3. *Clearance of Cutbacks on V-E Day*

The procurement agencies must make every effort to advise the War Production Board in advance of proposed cut-backs so that full consideration may be given to all factors involved in the selection of the facilities to be cut-back. However, recognizing the administrative impossibility of obtaining individual contract clearances on V-E day, the requirement for clearances by the Production Executive Committee of War Production Board will be waived on V-E day. This waiver is in the understanding that the procurement agencies will report all possible information relative to the cut-backs to the War Production Board in advance of V-E day and that the cut-backs not reported in advance will be made under established policies.

4. *Plant Clearances*

To facilitate plant clearances, it is desirable to advise contractors in advance of V-E day of the location of the storage space to which they will ship termination inventory. The Surplus War Property Administrator will allocate specific space for this purpose to the procurement agencies at the earliest possible date so that their procurement agencies may in turn assign the space to specific contracts and contractors (White House, 9-21.)

### FAMOUS LAST WORDS



"Not a square mile of German territory has been lost"



## ★ WPB ANNOUNCEMENTS ★

The full texts of the orders, regulations, and news releases digested below can in most cases be furnished to subscribers upon request to the Government Information Bureau.

VICTORY BULLETIN, 2133 Florida Ave., Washington 8, D. C. The material desired should be clearly identified by subject and date.

**HARDWARE:** Restrictions removed on use of aluminum and zinc in builders' finishing hardware, cabinet knobs and handles, and on the use of brass in essential working parts of cylinder locks (9-12).

**CHEMICALS:** M-300 amended to increase the small-order exemption for glue and to add arsenic, rotenone, pyrethrum, and copper chemicals to the control of the order (9-13).

**ALLOY STEEL SCRAP:** Increased mandatory consumption in electric and open-hearth furnaces producing certain grades of alloy steel required (9-14).

**EQUIPMENT:** Producers subject to any WPB order on List A of PR 28 must file Form WPB-040 monthly showing quantity of their rated and unrated shipments (9-14).

**RELAXATIONS IN ORDERS:** List of modifications in orders made during August, 1944, issued (9-14).

**DUCK:** Number of looms ordered converted from production of duck fabrics to the manufacture of duck (9-15).

**COTTON DUCK:** Efforts to supply Army and Navy requirements checked closely with position of M-91 (9-15).

**BEVERAGE MACHINERY AND EQUIPMENT:** Immediate elimination of priority ratings from L-232 and release of production of machinery is available urged by industry advisory committee (9-15).

**KNITTED OUTERWEAR:** No extensive expansion of civilian styles and models can be expected until labor and yarn shortages ease (9-15).

**GOLD MINING EQUIPMENT:** Policy established to permit firms to obtain equipment needed for making mines immediately operable after "SC" date (9-15).

**CHEMICALS:** Order M-320 (cellulose ester flakes), Order M-320a (cellulose ester sheets, rods and tubes), and Order M-320-b (cellulose acetate and cellulose acetate butyrate molding powder) revoked and control of these chemicals transferred to Order M-300 (9-16).

**SOLE LEATHER:** Cutters of military quality sole leather relieved of cutting sole bands under Schedule B, Order M-310, 1944, to the extent of one-third the number of bands cut during June to August, 1944 (9-16).

**GLASS CONTAINERS AND CLOSURES:** Most restrictions on manufacture and use expected to be removed shortly after European war ends (9-16).

**LUMBER:** Control over distribution of softwood plywood should be continued beyond the end of hostilities in Europe (9-16).

**REFRIG-12:** Commercial Refrigeration and Air-Conditioning Industry Advisory Committee recommends that facilities for producing hydrofluoric acid, an important component of Freon-12, be expanded and production increased (9-16).

**INDUSTRIAL FINISHES:** Large military cutbacks on orders immediately following Germany's defeat may make paints, varnishes and lacquers available to take care of increased production of such goods as commodities, refrigeration, and washing machines (9-16).

**CONGO BVM COPAL:** 5,000-ton allocation for 1945 requested from the Combined Raw Materials Board (9-16).

**MICA:** Fabricating industries no longer require specific authorization for securing and using certain types, quantities, and grades not in critical supply (9-16).

**CARBON TAPS AND DIKS:** Industry advisory committee approved (9-16).

**BURLAP:** Early resumption of private imports from India and other exporting countries recommended by industry advisory committee (9-16).

**JUTE AND JUTE PRODUCTS:** Permitted uses broadened by amendment to M-70 (9-18).

**FURNITURE:** Revision of L-200-A to permit development of new furniture patterns and to increase number of patterns each manufacturer may offer, recommended by industry advisory committee (9-18).

**FRACTIONAL HORSEPOWER AC MOTORS:** Facilities Committee approves expansion of facilities by General Electric Co. to the extent of \$550,000 to be financed by the company (9-18).

**TRACKLAYING FINANCERS:** Military demand will remain high in 1945 even if European hostilities cease (9-18).

**TEXTILE BAGS:** Supply discussed at meetings of the New Textile Bag Manufacturers and Secondhand Bag Dealers Industry Advisory Committee (9-18).

**PRIVATE AIRPLANES:** Responsibility for distribution of planes of 73- and 80-horsepower aviation engines transferred to Civil Aeronautics Admin. (9-18).

**WOOD OFFICE CHAIRS:** No improvement seen in the overall supply of lumber, textiles, and leather for production (9-18).

**PAPER:** Grants of 298.67 tons made to book publishers during Aug. 28-Sept. 9 (9-18).

**ELECTRONIC EQUIPMENT:** Members of industry advisory committee told that some prime contractors fabricating equipment for the armed services are believed to have ordered component parts far above their requirements during the last 6 months, with result that some transformer materials are overlooked while others have available capacity (9-18).

**DUCK:** Revision 1, Order M-91, amended to permit continued use of specified types in certain specified products by certain types of manufacturers (9-18).

**PAPER:** Grants to magazine publishers during Sept. 10-16 amounted to 242.97 tons; \$45.95 tons denied (9-18).

**DOMESTIC SILVER:** Quotas set for small independent manufacturers of less essential civilian products (9-18).

**ELECTRIC WATER HEATERS:** Additional material authorized to increase fourth-quarter production for civilian use from 12,500, as originally approved, to 30,000 (9-19).

**COPPER WIRE AND CABLE:** Unless projected requirements are materially altered, the revised military demand after victory in Europe will permit copper wire and cable mills facilities to accept and deliver orders other than authorized controlled material orders in a pattern and of a copper content approaching pre-war levels (9-19).

**REFINED COPPER:** Requirements should be approximately 379,000 tons per quarter after Germany's defeat (9-19).

**MAGAZINES AND PERIODICALS:** Representative publishers agree to accept a 15% curtailment of their printing paper inventories until shortage of paper is relieved (9-19).

**OIL BURNERS:** Material authorized for the production of 20,000 domestic type during the fourth quarter for replacement and hardship cases (9-19).

**COMMERCIAL PRINTERS:** Thirty-eight thousand printers will be surveyed to learn their consumption and end use of paper in their base period (9-19).

**GALVANIZED WARE:** Highly satisfactory increase reported in steel allocations during the last year (9-20).

**PHOTOGRAPHIC FILM:** Unlimited quantities of 35-millimeter motion picture film can no longer be made available to major motion picture producers and newsreel producers (9-20).

**CHEMICALS:** Two amendments to M-300 affect acrylic monomer and acrylic resin and sodium cyanide (9-20).

**WOOD PULP:** 2,659,948 tons allocated for the production of a minimum of 4,550,460 tons of paper and paperboard during the fourth quarter (9-20).

**CLOCKS:** Production of spring-driven and electric alarm clocks for third quarter estimated at 1,250,000—a slight increase over second quarter production (9-20).

**TOOLS AND TOOLING:** Extent to which priorities assistance provided by P-43 may be used to get tools and tooling material to make experimental models clarified (9-20).

**PAPER AND PAPERBOARD:** General shortage and high prices will continue to pose problems for 10 months after victory in Europe (9-20).

**FURNITURE PRODUCTION:** Relaxation of restrictions to facilitate preparation for the resumption of peacetime production urged by industry advisory committee (9-21).

**COMMERCIAL COOKING EQUIPMENT:** Manufacturers will be in a position to resume production for the civilian market without delay when cutbacks in war orders over and the manpower situation improves (9-21).

**PAPER SHIPPING SACKS:** Industry advisory committee recommends prohibition of any relaxations of L-279 until it is assured that all military requirements will first be met (9-21).

**GRAIN SORGHUMS:** Distillers notified that there will be no restriction on use for the production of alcohol during the fourth quarter (9-21).

**DOMESTIC COOKING APPLIANCES AND HEATING STOVES:** Appeals granted during Aug. from restrictions of L-236 reported (9-21).

**SHREDDED COCONUT, DESSERT PREPARATIONS AND PEPTIN:** May be packaged in paper sacks in minimum quantities of 25 pounds (9-21).

**STEEL:** Small business will receive supplies needed for civilian production on an equitable basis with big business (9-21).

**CARBON STEEL:** Allocation for fourth quarter production of domestic heating and cooking stoves reduced by 3,335 tons because of acute shortage (9-21).

**PAPER MILLS MACHINERY:** Retention of modified restrictions on the purchase, lease, rental or acceptance recommended by industry advisory committee (9-21).

**CONSTRUCTION MACHINERY AND EQUIPMENT:** L-217 and its 10 schedules revoked (9-22).

**PAPERMAKING:** Immediate relaxation in control for use in the manufacture of folding and set-up boxes opposed by industry advisory committee (9-22).

**TRACTOR MOUNTED CRANKS AND SHAFTS:** Twelve as many shipped in the second quarter of 1944 as in the corresponding quarter of 1943 (9-22).

**TENNIS:** Removal of size restrictions on cooking, household and hospital canned ware vessels in preparation for the resumption of peacetime production recommended by industry advisory committee (9-22).

**TIMBER:** Glue laminating of large timbers, developed through the united efforts of industry and the Navy's Bureau of Ships, solved one of the war's major problems in ship construction (9-24).

**LUMBER:** Conservation guide for tires for use in industry issued (9-25).

**CHEMICALS:** Distribution for civilian use in Sept. under allocation order made public (9-25).

## ☆ SURPLUS WAR PROPERTY ☆

### Plans Set Up For Disposal of Surplus War Property Necessary in Agriculture

**Food Producers' Needs to be Determined, Best Channels of Distribution Selected, and the Loss of Time Avoided**

■ The War Food Administration and Department of Agriculture have announced their administrative set-up and preliminary plans for handling their responsibilities in disposal of the surplus war property which can be used in agricultural production.

Under the President's Executive Order 9425, issued Feb. 21, 1944, the War Food Administration is represented on the Surplus War Property Policy Board. The order assigned to WFA responsibility for disposal of food declared to be surplus war property. The WFA was not assigned primary responsibility for the disposal of machinery or other war property; therefore, its responsibilities with respect to surplus war property other than food will be discharged through cooperation with the Procurement Division of the Department of the Treasury, the RFC, the U. S. Maritime Commission, and the Surplus War Property Administration.

War Food Administrator Marvin Jones and Secretary of Agriculture Claude R. Wickard have designated the Office of Materials and Facilities, of which J. W. Millard is director, to make arrangements, in cooperation with the disposal agencies, for distribution of surplus war materials, equipment and facilities needed by agriculture.

Directly in charge will be Capt. John H. Stambaugh, Ordnance Department, U. S. Army, who has been temporarily assigned by the Army to the Office of Materials and Facilities as special assistant to the director. Captain Stambaugh will coordinate his work with that of the Farm Machinery and Supplies Branch of which David Meeker is chief.

Concerning the War Food Administration's part in the war-surplus-disposal program, the officials stated:

"During the war, there may not be large amounts of equipment to move, but that which is available for farm use must go where it is most needed in the production of essential farm products.

"The WFA does not expect to act as a distributor of surplus war property. With the cooperation of farm organizations and the established distributing trades, it will assist disposal agencies in directing the flow of tools, equipment and

materials needed in the war food program.

"When it is determined that a certain quantity of goods will be available to agriculture, the WFA will ascertain through its field organization and county farm rationing committees where the goods are most needed. It will consult with representatives of farm organizations, cooperatives, and established merchandising associations to determine the channels of distribution best suited to the circumstances. Thus, arrangements for distribution can be made in accordance with the policies laid down by the Surplus War Property Administration for the guidance of the Procurement Division, Department of the Treasury, in accepting bids for the goods.

"In line with the recommendation of Bernard M. Baruch and John M. Hancock in their report on war and post-

war adjustment policy, the WFA will help arrange for disposal of property usable in food production through regular channels of trade to the fullest extent practicable, with small firms and individuals participating along with large concerns. This method of distribution will provide a ready means of repairing and rehabilitating used equipment.

"WFA will also emphasize speedy distribution of goods during the war so as to avoid loss of time in putting available equipment to work. WFA favors the local disposition, so far as practicable, of small quantities of equipment, such as that declared surplus when a military installation is de-activated. Details will be available at county AAA offices as the disposal programs are developed."

The Office of Materials and Facilities, in cooperation with the Army Office of Chief of Ordnance, is studying military equipment to determine its probable agricultural uses. Equipment which probably will be useful to farmers when it becomes available includes: Vehicles of various kinds, ranging from jeeps and standard trucks to four-wheel and six-wheel drive trucks; trailers ranging in size from 1-ton capacity to those large enough to haul a 40-ton tank; tools, fence, roofing, buckets, tires, and many other small items, both old and new; even the standard buildings of Army cantonments. (Agriculture Dept.)

### KEEP 'EM FLYING



## Depreciation Factors Affect Surpluses In Shipping, Construction, Other Fields

**Contrary to Popular Impression, Disposal Programs Involve Complicated Problems, Regulations, and Laws**

*Highlights of an Office of War Information report*

■ Before the war only a small fraction of America's commerce was carried in government-owned ships. When peace comes the merchant fleet will be twice the size of Great Britain's, according to the Maritime Commission. Shipping tonnage produced in 1944 is at least five times as great as that produced in 1939. Yet despite the fleet size, it is not anticipated that this country will face a surplus immediately after the European war ends. Most of the ships of the Allied Nations will be kept busy for a year providing relief and rehabilitation. What to do with them later will depend on whether we revert to a pre-war policy, and if not, on national policy concerning the size of an American Merchant Marine.

Depreciation will reduce the value of the ships, based on cost, approximately 30%, WPB has estimated.

Disposal of floating drydocks and Navy real estate today is subject to prior approval of the House and Senate Naval Affairs Committee. Public law 305, 78th Congress, controls the procedure under which vessels of less than 1,000 gross tons, including those acquired from private sources, may be turned back to their previous owners, or otherwise sold. Sale of other ships is prohibited under Public Law I, 78th Congress.

The Navy, on June 8, 1944, however, submitted to Congress a request for legislation authorizing the transfer of vessels of 1,000 gross tons, or less, to South America on a "partial reimbursement" basis. The proposed legislation would permit the transfer of excess patrol craft, mine craft and other small vessels and boats to South American countries for hemisphere defense.

### MILITARY CONSTRUCTION

As in the case of plants and the merchant fleet, the size of a military establishment maintained in this country after the war will affect the amount of surplus military construction available for disposal.

The government has spent about \$10,000,000,000 on military construction, including camps, airfields and warehouses, according to WPB, which has estimated that the return on the surplus may be "pennies on the dollar" and may not exceed \$1,000,000,000.

Very little military construction will be

feasible for post-war use. Some airfields may be abandoned, but the Civil Aeronautics Board expects that many of them will be leased or sold to states or cities, and that commercial airlines may purchase others.

### WAR HOUSING

More than half the homes built by the government for war workers are temporary structures, and under terms of the Lanham Act must be torn down within two years after the war, to prevent growth of future slums and blighted areas.

Permanent structures under control of the National Housing Agency cost less than \$1,000,000,000, and will be put on the market. The Lanham Act stipulates that when the emergency has passed these should be disposed of as expeditiously as possible, and at a fair market price. Looking toward that end, a committee within NHA today is making a study of the "how and when" of disposal, and of the values to be taken into consideration in establishing a price policy.

NHA has acquired 55,000 acres of real estate for its developments. Permanent structures are on approximately one-fourth of this, leaving about 40,000 acres that all will eventually become surplus.

The Federal Works Agency will be responsible for disposing of schools, hospitals, sewers, health centers, fire stations, power plants, garbage disposal plants and other community facilities built as Federal projects. Through April 30, 1944, FWA had expended \$177,000,000 in Lanham Act funds on such projects. This does not include community facilities for which grants were made to municipalities and other local government entities.

The law requires that disposition of this FWA property must be made within six months after the passing of the "emergency." To ease their eventual problem, FWA is making disposition now, and nearly every week at least one city in the country is taking title to some federally-built FWA property in its area.

### FINISHED GOODS

These range from planes and tanks to Scotch tape and hairpins, and are mostly in the hands of the military authorities.

Military stocks left at the end of the war are considered by WPB to be the hardest type of surplus to estimate in ad-

vance as to size and dollar value. Allowances must be made for an accelerated rate of consumption prior to the ending of the European phase of the war and for the military policy of stabilizing supplies at a minimum of six months' reserves.

Surpluses in the post exchanges, co-operatively-owned by military personnel, could be liquidated in three weeks, it has been said. But airplanes, on the other hand, may pose one of the giant disposal problems for the government after the war, according to SWPA.

Post exchange stocks, while not government-owned, are subject to certain military control. The Army's procedure for liquidating these stocks was outlined in Circular No. 57, dated February 8, 1944, which provides for gradual decrease in inventories if the troops at a given point are reduced; provision is also made for gradual transfer of excess stores to other exchanges, and for final liquidation and sale of remaining stock to the public in conformity with priority and rationing regulations.

The Navy's regulations are somewhat similar. The volume of business in the Navy Ship's Service Stores, operated under jurisdiction of the Bureau of Navy Personnel, is \$300,000,000 annually.

Aircraft will constitute a vast surplus even before the war is over, but a report made by the Harvard School of Business Administration for the Army Air Forces suggests that there may be fewer surplus transport planes than generally supposed. However, a heavy surplus of C-46 and C-47 types, cargo planes, is anticipated. There are already surpluses in training planes. Many of the tactical planes are built for such high speed that they will not be economical or comfortable for civilian use after the war.

The Harvard report says many smaller planes should be scrapped. Obsolete planes and other finished goods, which at their prime were useful only for military purposes, are still of value when dismantled and scrapped. From such military items, SWPA says, will come copper, aluminum, steel and other scrap in abundance.

In addition to these items, however, the military stocks include materials and equipment that can be adapted to civilian or industrial use.

Railroad equipment, construction and communications equipment, SWPA anticipates, should find a ready market. So should shoes, petroleum products and many consumer items. As to these, SWPA Administrator Clayton said:

"We would like to have it understood that while very large quantities of materials will undoubtedly become surplus upon the termination of the first phase of the war, it does not follow that large



surpluses of the particular consumer goods of which the public has most felt the lack will immediately be available; or, in other words, that surplus stocks of consumer goods can be counted on immediately to meet all civilian requirements. Really large surpluses will often not exist in just those particular items for which the public is most hungry. Concretely, for instance, the ending of the war with Germany will not mean that there will then immediately be available from surplus enough of such items as refrigerators, washing machines and automobiles to relieve the shortage."

In selling finished goods that become surplus, the government will not become a retailer. In Mr. Clayton's words, "It will seldom be possible for the Government to act as a retailer; for the most part, surpluses will have to be sold through ordinary channels of distribution."

Although there may appear to be a superabundance of some items, regulations may prohibit their being declared as "surplus." No jeeps, for instance, will be for sale at any time in the near future. On June 12, the Office of the Chief of Ordnance, War Department, issued instructions that no more jeeps are to be declared surplus and that wrecked or unserviceable jeeps are to be cannibalized to obtain parts to be used for the repair of other jeeps. At the time the instructions were issued, 69 jeeps, already declared surplus, were in the hands of the Procurement Division for disposal. These were withdrawn and are again on Army inventory.

When the war ends, depleted business inventories will need replenishing far beyond the point possible out of government surplus stocks of finished goods, WPB has estimated. The entire surplus in finished goods suitable for the domestic market will be less than the equivalent of two months' prewar retail sales, as recorded by the Department of Commerce.

#### WAR EXPENDITURES DECREASE

War expenditures by the U. S. Government in July amounted to \$7,355,000,000, a decrease of \$602,000,000, or 7.6%, from expenditures in June, according to figures compiled by the Treasury Department.

Average daily war spending in July totaled \$282,900,000, as compared with \$306,000,000 in June. The July daily expenditures were the lowest of any month this calendar year. From July 1, 1940, through July 31, 1944, expenditures for war purposes amounted to \$207,200,000,000.



#### PLANES UNDER PRICE REGULATIONS

The Surplus War Property Administration has announced a new regulation governing pricing of surplus aircraft by the Reconstruction Finance Corporation and the Foreign Economic Administration, the agencies that have been designated to handle sales of aircraft declared surplus in the U. S., U. S. territories and possessions and in foreign territory, respectively.

The pricing regulation was adopted after careful consideration of the recommendations of the report prepared by the Surplus Aircraft Advisory Subcommittee under the chairmanship of L. Welch Pogue, Civil Aeronautics Board Chairman. The Pogue committee's pricing recommendations generally paralleled those of the report submitted to the War Department in June by the Harvard University Graduate School of Business Administration.

For pricing purposes, all aircraft are placed in five classes as follows: Class A—Tactical Aircraft (or planes useful

only for military purposes), Class B—Transport Aircraft, Class C—Personal Aircraft, Class D—Aircraft Equipment and Component Parts, Class E—Unabsorbed Surplus.

The new pricing regulation points out that most Class A aircraft will not be suitable for sale for flight use and will therefore be transferred to Class E to be used for educational, experimental, memorial purposes, salvage and scrap. For those few surplus military aircraft suitable for specialized industrial or private use, the regulation sets only minimum prices. They must not be sold at less than the estimated sales value of salvageable spare parts plus the scrap value of unsalvageable residue.

Prices of Class B aircraft—transports—are related to the lowest manufactured cost of the planes manufactured in greatest quantity during the first six months of 1944. The applicant has the option to buy outright, to lease or to rent on a terminable installment plan. (SWPA, 9-23.)

## ☆ PRICES & RATIONING ☆

### POINT LOANS AIDING HARDSHIP CASES

▲ A procedure by which restaurants, bakers and other industrial and institutional users of rationed foods may obtain point loans to avoid hardship in payment of point debts has been announced by OPA.

When a rationed food item or group of items—such as lard or a number of meat cuts—becomes point free and ration currency is no longer required in its purchase, OPA said, allotments of points to industrial and institutional users are reduced accordingly, leaving a user with less ration currency per allotment period to pay off point obligations.

At a time when a rationed food item becomes point free, an industrial or institutional user may owe a substantial number of points to his supplier, or he may be repaying excess inventory to OPA. He may owe points to OPA, which he has borrowed to meet a special situation, or he may have overdrawn his ration banking account and be in the midst

of repaying the overdraft.

To relieve hardship experienced by industrial and institutional users placed in a less favorable position with respect to point debts by reductions of rationed foods to a point-free basis, OPA has authorized such users to apply for point loans.

The authorization becomes effective October 4, 1944. Application should be made to the user's local War Price and Rationing Board.

Loans will be granted only to put industrial or institutional users in as good a position with respect to point debts as they were before items became point free. For the present, only red point loans will be granted—loans of points used in the purchase of meats, butter, margarine, and cheeses. OPA has no evidence of undue hardship with respect to point debts resulting from reductions in many "blue point" processed foods to zero value the last few months. (OPA. 10-2.)

### 42,000 VIOLATORS DURING 6 MONTHS

▲ Formal-enforcement action was taken against more than 42,000 violators of price, rationing and rent regulations during the first half of 1944. The total includes:

- 1,291 criminal prosecutions instituted by United States attorneys.
- 2,436 civil suits, including 4,265 suits for injunctions, 13 license suspension suits, and 1,158 treble damage actions. An additional 8,540 treble damage cases were settled before judgment.
- 3,519 administration suspension or-

der proceedings and 20,684 revocations of consumer gasoline rationing for violations of rationing rules.

The six-month total of 21,363 formal sanctions (exclusive of consumer ration revocations) from January through June of 1944 compares with 24,205 sanctions brought during the whole year of 1943. This was done with practically the same staff of attorneys and investigators—an average of 484 attorneys and 2,688 investigators in 1944, compared with 455 attorneys and 2,032 investigators in 1943. (OPA.)

## ★ OPA ANNOUNCEMENTS ★

*The full texts of the orders, regulations, and news releases digested below can in most cases be furnished to subscribers upon specific request to the Government Information Bureau, VICTORY BULLETIN, 2155 Florida Ave., Washington 8, D. C. The material desired should be clearly identified by subject and date.*

**LIVE HOGS:** Ceiling prices will not be reduced from present levels prior to June 1945 (9-15).

**CRANBERRIES:** These for fresh use and processing to be brought under price control (9-16).

**ESTER GUM:** Prices increased at all sales levels for gum containing gum resin, used principally in paint (9-18).

**VEGETABLE TANNING MATERIALS:** Advisory committee representing importers appointed (9-18).

**GIFT OR HOLIDAY PACKAGES:** Packages that contain food items (including "overseas" or "servicemen's" packages) to be priced at wholesale and retail levels by a new method (9-18).

**SWEET CORN:** Processors' ceilings set for 1944 paid (9-18).

**FINE COTTON:** Present mill level ceiling increases aggregate about 10% for goods priced

under individual construction ceilings, including bed-room, clip-spot, marquisettes; also individual construction ceilings set at new levels for certain fabrics which have been subject to in-line or poundage prices; permission heretofore granted to sell fine cotton goods on an adjustable pricing basis is revoked (9-18).

**WORK GLOVES:** Ceiling prices for 63 manufacturers who have received authorized ceiling prices by OPA individual orders since May 22 are increased by 4% (9-18).

**TABLE GRAPES:** No change in the present maximum prices for home consumption (9-18).

**CHEWING TOBACCO:** Retail ceiling price of the former 15-cent packages of sweetened scrap increased 1c per ounce package (9-18).

**FRESH FRUITS:** Sellers may apply for ceiling prices on sales of price-controlled fruits to members of the armed forces for delivery to any point within U. S. (9-19).

**AUTOMOBILES:** Clearance statements—issued

by the national OPA office to enable dealers to register in their own names one or more cars set aside for personal or business use before Jan. 2, 1945—will be discontinued (9-19).

**LUMBER:** Method used by producers of cut grade veneer to compute additions they can make to their maximum prices for overtime operations revoked (9-19).

**GUM RESIN:** Permanent maximum prices set at levels based on average prices prevailing during June and July for sales on the Savannah Cotton and Naval Stores Exchange (9-19).

**REPAIR WORK:** Subject to price ceilings in the area devastated by Sept. 12 hurricane (9-19).

**SALMON:** Price of select mild-cured type, used as a raw product for smoked mild-cured salmon, increased by 8c a pound f.o.b. Seattle (9-20).

**STAPLE WORK CLOTHING:** Date on which manufacturers must file statements regarding their wholesale percentage, as required by the revised staple work clothing regulation, postponed from Sept. 25 to Nov. 1 (9-20).

**FROZEN FRUITS, BERRIES AND VEGETABLES:** Processors selling under established of the 1944 pack at maximum prices in effect on the date of delivery subject to an agreement with the buyer to adjust the selling price after the establishment of new maximum prices (9-21).

**FROZEN PACKED FRUITS AND VEGETABLES:** Processors selling under established "adjustable pricing" orders required to adjust their prices downward if their 1944 ceilings are lower than 1945 maximum prices (9-21).

**FRUITS, BERRIES, AND VEGETABLES:** Processors allowed to make sales and deliveries of products at present ceiling prices, subject to an agreement with their purchasers to adjust the maximum prices after delivery (9-21).

**GRAY IRON CASTINGS:** Those sold by regular resellers as parts or sub-assemblies of the kinds issued in Appendix A or B of MPR 136 removed from coverage of the gray iron castings regulation (9-21).

**AMMONIA:** Maximum price set of \$4.50 per unit for ester product in bags, f.o.b. point of production west of the 100th meridian (running through the states of Ne. Dak., S. Dak., Neb., Kan., and Texas) (9-21).

**MINOR PROTEIN MEALS:** Trade bulletin covering babassu, copra, curcari, palm kernel, and sesame products issued (9-21).

**COTTONSEED PRODUCTS:** Trade bulletin issued (9-21).

**CONCORD GRAPES:** Forthcoming prices set for sales to processors and wineries (9-22).

**FROZEN FRUITS, BERRIES, JUICES AND MIXTURES:** Those in containers with capacities up to and including 50 pounds will be priced by wholesalers and retailers under the mark-up regulations (9-22).

**LUMBER:** Eastern primary forest products regularized by previous deal with products other than railroad ties transferred to 3 new regulations for purposes of simplification and better administration (9-22).

**UNDERWEAR GARMENTS:** Increases in manufacturers' ceiling prices for specified knitted cotton heavyweight garments range from 1% to about 5% over present ceilings (9-23).

**HARD CANDY:** Change made in pricing to increase production of popular low-cost candies (9-24).

**TIRES:** Dealers, except those defined as "mass distributors," required to make a quarterly inventory of tires (9-24).

**CONSUMER RATIONING:** PROCESSED GOODS: Higher point values set for items still rationed (9-17).

**SHOES:** Non-leather shoes made with rubber soles freed from rationing (9-21).

**GASOLINE:** "B-3" and "C-3" invalid for motorists after Sept. 30 (9-22).

**FUEL OIL:** All dealers who have a registered storage capacity of 1,000 or more gallons are to file statements "balance" statements as of Oct. 1 and April. Oct. statements are to give complete information to ration evidences and credits in relation to each establishment's supply of fuel oil as of Oct. 1 (9-23).